

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Workers' Compensation Costs, Fiscal Year 2004/2005	REFERENCE NUMBER: 2005-042
DATE ISSUED: 10/28/05	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transactions Supervisors
Return to Work/Claims Coordinators
Health and Safety Officers**

FROM: Department of Personnel Administration
Benefits Division

CONTACT: Keith Mentzer, Workers' Compensation Manager
(916) 445-9792
Fax: (916) 322-3769
Email: keithmentzer@dpa.ca.gov

The workers' compensation payment data for Fiscal Year 2004/2005 is now available on the Department of Personnel Administration's Web site. Go to "Benefits," then "Workers' Compensation," and scroll down to "Workers' Compensation Cost Information." This data shows State payments during Fiscal Year 2004/2005, by department, for all claims.

The State's Fiscal Year 2004/2005 workers' compensation costs total \$494.4 million, or 4.19% of payroll. This represents a decrease of \$31.6 million (6%) over last year's costs. During the same time period, payroll costs increased by \$503.8 million (4.5%). The most significant decreases were in Medical Expenses and Industrial Disability Leave Benefits.

The number of open claims increased to 42,417 in June of 2005, compared to 41,530 in June of 2004. This is a difference of 887 claims (2.1%). This figure includes all active claims, regardless of the original date of injury.

Specific cost increases/decreases are noted as follows:

Temporary Disability Benefits:	\$1 million decrease	-2.3%
Permanent Disability Benefits:	\$2.1 million increase	2.0%
Vocational Rehabilitation Benefits:	\$300,000 increase	2.2%
Medical Expenses:	\$30 million decrease	-14.0%
Service Fees:	\$2.5 million increase	4.7%
Industrial Disability Leave Benefits:	\$8 million decrease	-12.0%
Labor Code Section 4800, 4800.5 Benefits:	\$800,000 increase	7.9%
Premiums:	\$1.7 million increase	11.6%
Total Change:	\$31.6 million decrease	6.0%

PML 2005-042
October 28, 2005
Page 2

If you have any questions or require additional information, please contact Keith Mentzer.

Sincerely,

/s/ Debbie Endsley

Debbie Endsley, Chief
Benefits Division